

Message Text

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ACTION NEA-10

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R 201205Z JUN 77
FM AMEMBASSY ABU DHABI
TO USDOC WASHDC
INFO SECSTATE WASHDC 6250
AMEMBASSY ATHENS
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY TEHRAN
USINT BAGHDAD
AMCONSUL DHAHRAN

UNCLAS ABU DHABI 1830

USDOC FOR CAGNE

ATHENS FOR RTDO

DEPT PASS BAGHDAD

E.O. 11652: N/A
NATAGS: BEXP, TC
SUBJ: OPPORTUNITY FOR U.S. FIRM TO OBTAIN MANAGEMENT OF DUBAI'S
JEBEL ALI PORT

REF: 76 ABU DHABI 2886

SUMMARY: RULER OF DUBAI HAS ASKED USG ASSISTANCE IN FINDING AN
AMERICAN FIRM QUALCEIED AND WILLING TO MANAGE 78-BERTH PORT AT
JEBEL ALI. FIRM MIGHT WELL BE ASKED TO PUT UP SOME OF ITS OWN
CAPITAL TO EQUIP OPERATON AND BE PAID A PERCENTAGE OF PORT
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FEES. END SUMMARY.

1. THE RULER OF DUBAI, SHAIKH RASHID BIN SAEED AL MAKTOUM, HAS
ASKED THE EMBASSY TO HELP HIM FIND AMERICAN FIRMS WILLING
AND ABLE TO MANAGE THE NEW INDUSTRIAL PORT
AT JEBEL ALI. THE NEW PORT, WHICH IS ABOUT TWENTY
MILES WEST OF DUBAI, WILL HAVE SEVENTY-EIGHT BERTHS,

NOT THE SEVENTY-FOUR REPORTED EARLIER. THE FIRST FOUR BERTHS WILL BE FINISHED IN JULY AND THE NEXT SIX BY MARCH 1978.

2. ALTHOUGH HE HAS BEEN APPROACHED BY GRAY MACKENZIE, THE BRITISH MANAGERS OF PORT RASHID, SHAIKH RASHID WANTS ANOTHER FIRM TO MANAGERS THE PORT AT JEBEL ALI. RECENTLY, HE WAS VISITED BY WILFRED TAPPER, A CONSULTANT OF THE TENNECO CORPORATION, WHOSE NDPORT NEWS SHIPBUILDING YARD WAS INTERESTED IN MANAGING DUBAI'S DRY DOCKS AND THE NEW PORT. RASHID WAS IMPRESSED WITH THE PHOTOGRAPHS OF NEWPORT NEWS SHIPYARDS, AND SPECIFICALLY WOULD LIKE TO INVITE NEWPORT NEWS, IF THEY ARE WILLING, TO COME BACK TO DUBAI AND DISCUSS JEBAL ALI.

3. SHAIKH RASHID, HOWEVER, VERY SPECIFICALLY DID NOT LIMIT HIS INVITATION TO NEWPORT NEWS. HE WOULD LIKE TO MEET WITH ANY QUALIFIED U.S. FIRM OR QUASI-GOVERNMENTAL ENTITY WHICH WOULD BE INTERESTED IN MANAGING THE NEW PORT. ONE POINT AT WHICH AMERICAN FIRMS MAY BALK, HOWEVER, IS THAT SHAIKH RASHID PROPOSES TO PAY PORT MANAGER FOR HIS SERVICES A PERCENTAGE OF FEES GENERATED BY THE PORT. HE CURRENTLY FOLLOWS THIS METHOD IN PORT RASHID, WHOSE BRITISH MANAGEMENT WOULD, HE ASSERTS, VERY MUCH LIKE TO TAKE ON JEBEL ALI PORT ON THE SAME TERMS THEY HAVE IN PORT RASHID. UNCLASSIFIED

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4. ANOTHER POINT WHICH MAY GIVE AMERICAN COMPANIES PAUSE IS THAT SHAIKH RASHID WILL PROBABLY EXPECT THE PORT'S MANAGER TO PROVIDE HIS OWN EQUIPMENT (CRANES, FORKLIFTS, ETC) THIS IS WHAT GRAY MACKENZIE HAS DONE IN PORT RASHID. LOOKED AT ONE WAY, THIS WOULD REQUIRE A COMPANY TO PUT A GREAT DEAL AT RISK IN A PART OF THE WORLD NEW TO THEM. ON THE OTHER HAND, IF THE USG CAN ASSIST CONTENDERS FOR THIS MANAGEMENT CONTRACT WITH OFFERS OF EXIM CREDITS TO JEBAL ALI PORT AUTHORITY FOR PURCHASE OF U.S. EQUIPMENT, IT MIGHT BE SUFFICIENT INCENTIVE TO MAKE IT POSSIBLE FOR U.S. FIRMS TO COMPETE ON THIS PROJECT.

5. ACTION REQUESTED:
REQUEST CAGNE MAJOR PROJECTS CANVAS QUALIFIED FIRMS, PORT AUTHORITIES, AND OTHER AGENCIES TO SEE IF ANY MIGHT BE INTERESTED. IN ADDITION, REQUEST CAGNE CONTACT MR. TAPPER (713-651-9222) OR OTHER TENNECO/ NEWPORT NEWS OFFICIALS AND RELAY SHAIKH RASHID'S DESIRE TO SEE THEM. FINALLY REQUEST THAT CAGNE KEEP EXIM POSSIBILITY IN MIND.

DICKMAN

NOTE BY OC/T: ABU DHABI 1830 PASSED BAGHDAD.

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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